



Agenda Date: 11-9-04

Agenda Item: 6A

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

RELIABILITY & SECURITY

IN THE MATTER OF PUBLIC SERVICE ELECTRIC)
AND GAS COMPANY'S PETITION FOR A WAIVER OF)
49 CFR § 192.59(a)(1) PURSUANT TO 49 U.S.C.)
60118 (D) OF THE PIPELINE SAFETY ACT)

DECISION AND ORDER

DOCKET NO. GE03110956

(SERVICE LIST ATTACHED)

BY THE BOARD:

By letter dated November 25, 2003, Public Service Electric and Gas Company (PSE&G) petitioned for a waiver of 49 C.F.R. § 192.59(a)(1). PSE&G requested a waiver of this regulation, which limits the use of plastic pipe to only that which has been explicitly qualified for use in natural gas pipelines and which has been manufactured with a listed specification. This was intended so that PSE&G might use Cross-Linked Polyethylene pipe, commonly referred to as PEX piping, for gas service under bridge crossing in various locations. Despite the fact that PEX pipe has not yet been federally approved under § 192.59(a)(1). This installation would serve as a field test to evaluate the effectiveness of the pipe for future use in the company's gas distribution system. PEX pipe has not previously been used in the United States for natural gas pipeline applications. On May 12, 2004, in Docket No. GE03110956, this Board granted the waiver, and imposed a number of restrictions and conditions upon the waiver to ensure continued safe operation while allowing PSE&G to test the PEX piping under appropriate circumstances. PSE&G now seeks modification of those restrictions in order to allow for continued testing of PEX pipe, most notably in terms of ultraviolet radiation exposure, which can not be performed under the current Board waiver.

As noted in the Board's previous Order on this matter, the engineering data provided by PSE&G and the Gas Technology Institute in Chicago indicates that PEX piping is: (1) superior in quality to standard polyethylene pipe, specifically in regard to its resistance to temperature changes and overall lifespan and (2) has been used quite extensively in the European gas pipeline industry, with over 1,375 miles of gas main and services currently in place.

While the Board is authorized pursuant to 49 U.S.C. § 60118(d) to grant this waiver, concurrence from the federal Office of Pipeline Safety (OPS) is required before the waiver becomes effective. OPS is required by statute to respond within 60 days of the date of Board action if it takes exception to the waiver. The waiver would go into effect if no reply is received within 60-day time limit pursuant to 49 U.S.C. § 60018(d).

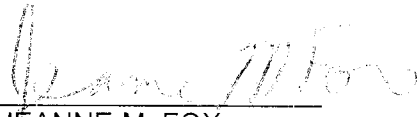
After review of the petition and the pertinent papers filed in this matter, as well as the previous Board Order, the Board HEREBY FINDS that the a modification of the conditions and

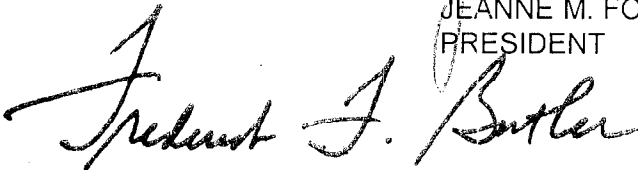
restrictions imposed upon PSE&G in its test use of PEX piping for gas service will serve to increase the value of the test and will not increase the risk to the utility customers or to the general public. Accordingly, the Board HEREBY ORDERS that the conditions previously imposed upon PSE&G in terms of its request for a waiver of the requirement of 49 C.F.R. § 192.59(a)(1) shall be modified in the following manner:

- A) PSE&G may select test environments that would benefit from the improved properties of PEX plastic piping such as in bridge crossings where the casing is subject to direct sunlight, joint trench projects with natural material fill, pipe bursting / plowing without casing, directional drilling, and, insertion into abandoned pipes, and need not specifically protect the PEX piping from ultraviolet radiation;
- B) During the first five years after installation, the PEX plastic piping will be monitored on a periodic basis of at least six months. Thereafter, the PEX plastic piping will be monitored no less than every three years. In the event of any evidence of degradation or other damage, PSE&G will immediately notify the Board;
- C) A portion of the PEX plastic pipe will be removed for evaluation after the testing period, and the results of this evaluation, as well as the ongoing evaluation noted above, shall be submitted to the Board; and,
- D) Review and approval of any and all projects proposed under this waiver shall be performed by the New Jersey Board of Public Utilities – Bureau Pipeline Safety Staff prior to installation.

DATED: 11/10/04

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT



FREDERICK BUTLER
COMMISSIONER


CONNIE O. HUGHES
COMMISSIONER


JACK ALTER
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities


IN THE MATTER OF PUBLIC SERVICE AND ELECTRIC AND GAS COMPANY'S
PETITION FOR A WAIVER OF 49 CFR § 192.59(a) (1) PURSUANT TO
49 U.S.C. 60118 (D) OF THE PIPELINE SAFETY ACT

DOCKET NO. GE03110956

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